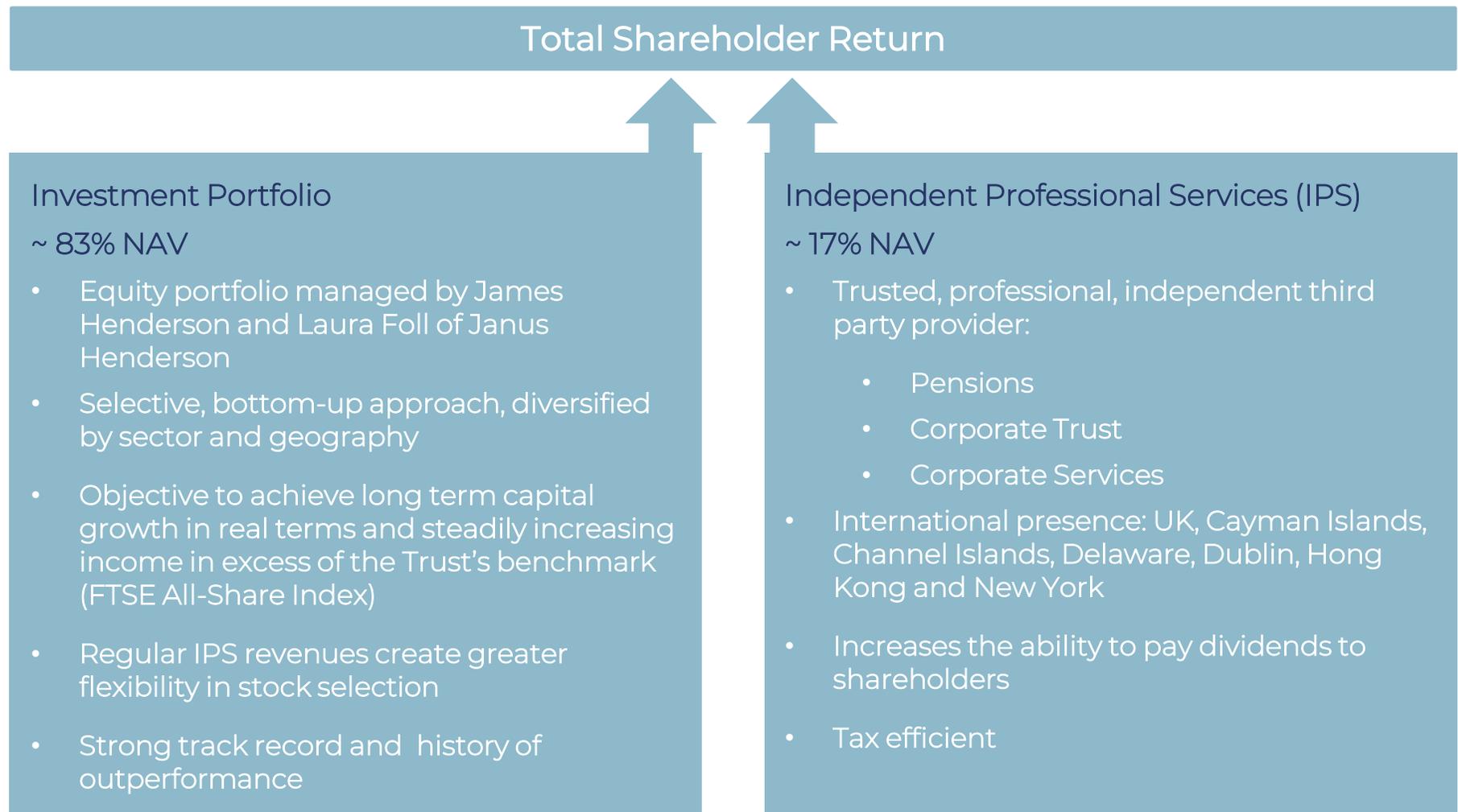




LawDebenture

AGM: April 2021

1. The Law Debenture model





2. Dividend Update

- First three interim dividends of 6.5 pence per ordinary share have been paid.
- Board announced an increase to the total 2020 dividend of 5.8% to 27.5 pence per share, with a final interim dividend of 8.0p to be paid in April, subject to Shareholder approval.
- Based on current share price, that implies a **dividend yield for Law Debenture shares of 3.5%¹**
- 35%² of dividends funded by IPS over the last 10 years.
- 42 years of increasing or maintaining dividends to shareholders.

¹ Based on closing share price of 740 pence as at 6 April 2021

² Calculated based on dividend paid in 2020



3. IPS: Overview

Pensions

The longest established and largest provider of independent pension trustees in the UK

Corporate Trust

A leading independent corporate trustee across international capital markets

Corporate Services

Highly regarded range of outsourced solutions to corporates

- Trusted, professional and independent
- High quality reputation and brand strength in core markets
- Excellent record of customer retention
- Strong repeat revenues, around two thirds from on-going contractual commitments
- Cost base kept under control



3. IPS: Overview

DIVISION	Net revenue 2018 £000	Net revenue 2019 £000	Net revenue 2020 £000	Growth 2019/2020 %
Pensions	9,488	10,598	11,479	8.3%
Corporate trust	8,362	9,024	10,788	19.5%
Corporate services	11,734	12,167	12,226	0.5%
Total	29,584	31,789	34,493	8.5%

- Resilient IPS business has provided 68% of group revenue, with an increase in revenue (net of cost of sales) of 8.5% and earnings per share up 9.5%.
- Objective of mid to high single digit growth delivered in 2020 against the backdrop of Covid-19, highlighting the strength and diversity of the revenue base.
- Valuation of the fair value of the IPS business has increased by 18.3% to £135m¹

¹ As disclosed in the 2020 Annual Report. This is based off a multiple of 9.4x EBITDA.



3. IPS: Pensions

- Our trustee team now support in excess of 200 clients, with oversight of over £350bn of assets, providing pension benefits to more than three million families
- Following the launch of our outsourced administration service Pegasus in 2017, we have seen significant growth in the demand for these services
- Regulatory tailwinds remain in place to drive demand for our services
- Further growth in market expected to support our clients with ESG requirements/challenges
- Recruiting high quality individuals to support expansion, with a focus on diversity with a view to significant scaling over the next five years
- Use technology to create smarter working practices and maximise revenue
- Relentless excellence in execution during a period of significant challenge for the pension industry, leading to growth in revenue of 8.3% and enhanced perception of the value of our offering



3. IPS: Corporate Trust

- Income is generated by a mixture of up-front acceptance fees on new business and long term, annual annuity fees on existing business
- Fought hard to maintain market share in a highly competitive market where capital market transaction volumes have fallen
- Long-term nature of appointments provides a highly desirable, stable and index linked source of revenue for the Group
- Positioning our offer around what customers want to buy rather than what we want to sell
- Engaging with boutique players to expand our customer base, including social housing and alternative assets
- Expanding escrow offering to provide clients with the possibility of return on cash
- Counter cyclical nature of revenue stream reinforced by 19.5% increase in revenue in a tough economic environment



3. IPS: Corporate Services

- Acquisition of the Company Secretarial Services business line from Konexo UK, a division of Eversheds Sutherland (International) LLP for £20m completed at the end of January 2021.
- Our core corporate services business is performing well, winning clients and expanding the services to existing clients under difficult market conditions
- Safecall, our whistleblowing business continues to grow, albeit at a slower rate
- Service of Process was impacted by a slow down in capital markets in Q2 which has resulted of lower transaction volumes
- Smart use of technology to increase automation and improve efficiency
- Further development of Safecall's product offering (including online training courses and development of digital distribution channels)
- Impact of Covid-19 on capital markets has been more keenly felt with revenues broadly flat but we remain well positioned for market recovery

3. Acquisition of Company Secretarial business from Eversheds



- For the financial year ended 30 April 2020, CSS recorded revenues of £6.2m and estimated EBITDA of £2.2m.
- The Acquisition will further strengthen Law Debenture's position as a leading professional services and governance firm and enhance its customer proposition.
- The Acquisition complements Law Debenture's existing company secretarial offering, building on our existing sector knowledge and expertise. Law Debenture's accounting and company secretarial offering has shown strong organic growth both in 2019 and in 2020.
- Andy Casey, Head of CSS, will transfer to Law Debenture. Andy, who is a Chartered Company Secretary with 14 years industry experience, joined Konexo in 2015 and was promoted to Head of CSS in 2018. Prior to joining Konexo, he spent 9 years with PwC.
- The **company secretarial sector offers long-term structural growth opportunities** with favourable regulatory drivers. Demand for governance services is growing strongly for corporates as they face ever-increasing compliance requirements and disclosure obligations.
- CSS offers significant longer-term revenue synergy opportunities with potential for cross-selling within accounting services.
- The Acquisition **helps strengthen Law Debenture's earnings outlook to facilitate dividend distributions** and support long-term capital growth and steadily increasing income objectives.
- The Acquisition is also **expected to be EPS enhancing** and accretive to the Group's long-term strategic vision and to value.



3. IPS: In Summary

- IPS has very attractive financial characteristics:
 - High margins and high return on capital
 - Proven track record of delivery of mid-to-high single digit growth
- Strong free cash flow offers bolt-on/cash reinvestment opportunities and supports the dividend
- On-going investment in technology/quality of service, people, reputation and clients
- Increased and more proactive promotion of our businesses and a focus on new products
- Continue to strengthen our team to support our growth objectives, with an eye always to the bottom line
- Pro-active in our engagement with our stakeholders, enhancing our communication and improving transparency to better tell the Law Debenture story



Investment Portfolio – James Henderson & Laura Foll, Janus Henderson



Investment Portfolio: Investment Approach

- Investment objective: long term capital growth in real terms and steadily increasing income
- Selective, bottom-up approach, deliberately diversified by sector and geography
- Valuation-driven process, aiming to identify high quality companies that are undervalued at the point of purchase
- Overseas stocks used selectively where there is no UK equivalent
- IPS revenues create greater flexibility in stock selection



Investment Portfolio: Long Term Performance as of 31 December 2020

Strong performance track record – outperformance over 1, 3, 5, 10 years

	1 year %	3 years %	5 years %	10 years %
NAV total return ^{2*} (with debt at par)	3.6	15.6	59.1	147.8
NAV total return ^{2*} (with debt at fair value)	2.0	13.2	53.0	134.7
FTSE Actuaries All-Share Index Total Return ⁴	(9.8)	(2.7)	28.5	71.9
Share price total return ^{4*}	12.9	24.3	67.3	174.8
Change in Retail Price Index ⁴	0.9	6.4	13	29.4

* Items marked "*" are considered to be alternative performance measures and are described in more detail on page 128.

† The 2019 gearing has been restated to reflect the revised approach to the calculation. Please see page 128 for more information.

1 Please refer to page 37 for calculation of net asset value.

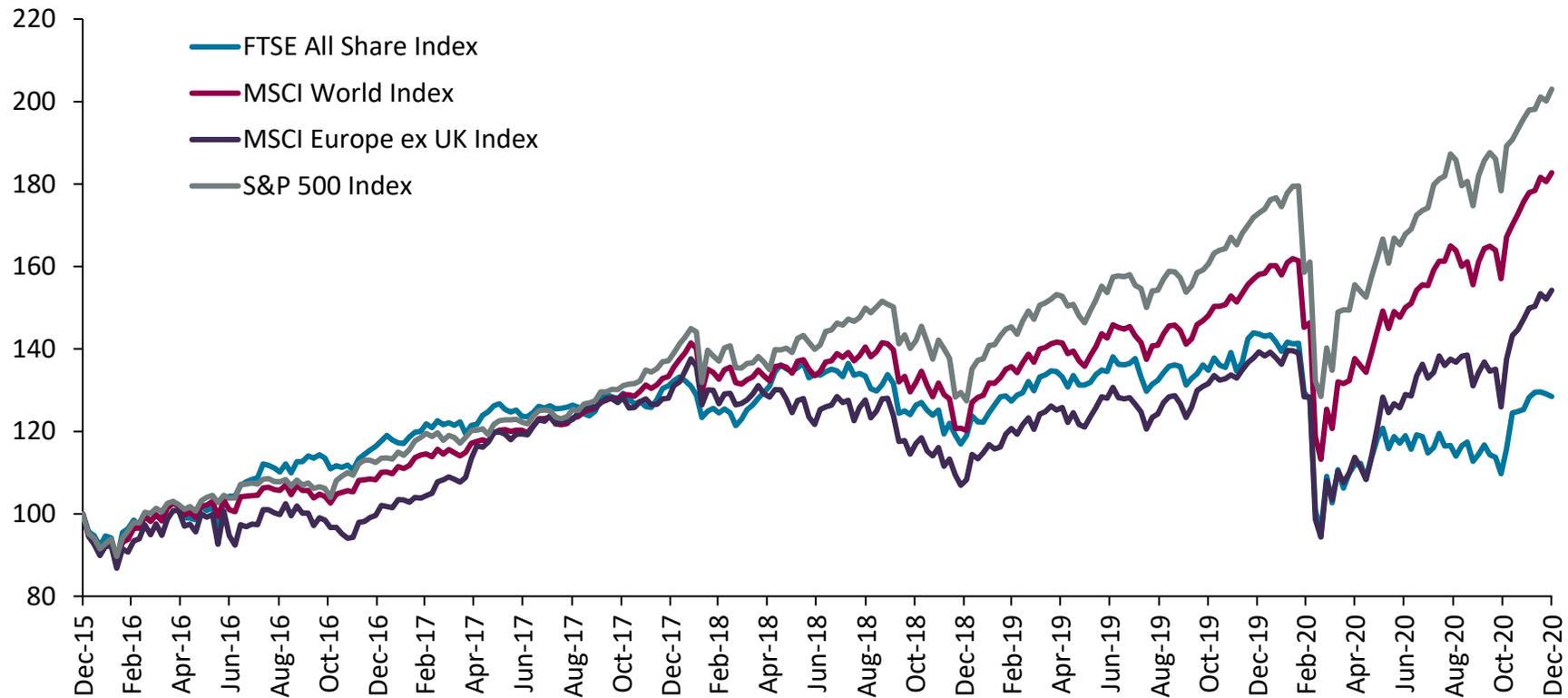
2 NAV is calculated in accordance with the AIC methodology, based on performance data held by Law Debenture including fair value of the IPS business and long-term borrowings. NAV is shown with debt measured at par and with debt measured at fair value.

3 Source: AIC. Ongoing charges are based on the costs of the investment trust and include the Janus Henderson Investors' management fee of 0.30% of NAV of the investment trust. There is no performance related element to the fee. Gearing is described in the strategic report on page 34 and in our alternative performance measures on page 128.

4 Source: Refinitiv Datastream.

Source: Law Debenture Corporation as at 31st December 2020

Investment Portfolio: The UK has materially underperformed other global markets



Source: Datastream, as at 31 December 2020. Total return, GBP, rebased to 100 as at 31 December 2015.

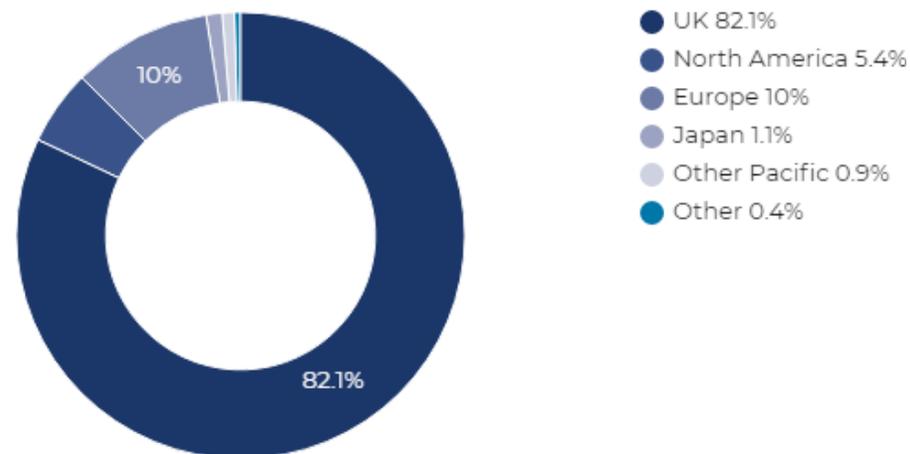


Investment Portfolio: Portfolio overview

Top 10 holdings (%)

Top 10 Holdings		
1.	Ceres Power	2.98
2.	Glaxosmithkline	2.77
3.	Rio Tinto	2.53
4.	Herald Investment Trust	2.16
5.	Royal Dutch Shell	1.94
6.	BP	1.79
7.	Prudential Corp	1.55
8.	National Grid	1.5
9.	Morgan Advanced Materials	1.48
10.	HSBC	1.46

Geographic weightings (%)



Source: Law Debenture. Based on the Portfolio as of 31 December 2020

Investment Portfolio: Current Opportunities, what are we buying?



Recent purchases include:

Barclays (new position in 2020) – also added to existing holdings in banks including Natwest, Lloyds, HSBC

Marks & Spencer (new position in 2020)

Anglo American (new position in 2020, recently added to holding)

Sanofi (new position in 2021)

We think the best total return opportunities can often be found in companies that have suspended their dividends or currently have a low dividend yield – this vehicle allows us flexibility to invest in those areas.



Investment Portfolio: 31 December 2020 Attribution

Largest contributors

1. Ceres Power
2. ITM Power
3. Herald Investment Trust
4. Rio Tinto
5. Royal Mail

Largest detractors

1. Royal Dutch Shell
2. Hammerson
3. GlaxoSmithKline
4. BP
5. HSBC

Source: Law Debenture as at 31 December 2020. Only includes those actively held within the portfolio (not underweights versus the FTSE All-Share benchmark)



Investment Portfolio: Outlook

- Law Debenture is well positioned for a global economic recovery and the vehicle allows flexibility to invest in lower yielding areas, while maintaining an attractive dividend yield for shareholders
- The companies we hold have experienced management teams
- Balance sheets are (broadly) in a good place
- Cost levers are being pulled fast
- The drop through from sales to earnings when recovery comes will be significant

Janus Henderson Investors

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